



Statement to Michigan House Energy and Technology Committee
November 13, 2014

My name is April Mims and I am a representative of Lyft. On behalf of tens of thousands of users utilizing Lyft in the state of Michigan, I want to thank this Committee for recognizing the benefits of peer-to-peer ridesharing platforms in Michigan and working to advance regulations that address this new model. Lyft launched in Detroit and Ann Arbor in March and April, respectively, of this year because we recognized that Michigan is a place that welcomes new technology and innovation. We are proud to include Michigan as one of 29 states where we are currently operating.

What is Lyft? Lyft is an online ride-sharing application that connects people with efficient, friendly and safe drivers in their community. To use, simply download and register the application on your smartphone. From then on, requesting a ride happens with just the push of a button. With Lyft, Michigan residents have an alternative to hailing rides, researching transit options, or carrying cash in order to commute. Lyft is about choice.

But Lyft is more than just a ridesharing application—it is your friend with a car. Lyft is bringing Michigan communities together through the medium of ridesharing. Lyft is allowing residents across Michigan the opportunity to earn flexible, supplemental income by using their private vehicle to rideshare with their neighbors. In addition, Lyft is contributing to a more sustainable Michigan. Over 80% of cars on the road have only one occupant. By getting a Lyft instead of driving their cars, Michigan residents are not just saving time, they are reducing their carbon footprint.

While community and sustainability are strong Lyft values, Lyft is most committed to the safety of its users. Lyft contracts with a company called SterlingBackcheck, an international provider of background checks used by 25% of Fortune 100 companies and over 20,000 organizations to screen driver applicants. We perform thorough driver record and in-person

evaluations of prospective drivers and every ride is protected by Lyft's \$1 million commercial automobile liability coverage.

But what really distinguishes Lyft from traditional for-hire services is how we utilize technology to ensure a safe riding experience. Every Lyft ride is tracked via GPS technology. When a rider is matched with a driver via Lyft, the rider receives a picture and the user rating of the driver and the make and model of the vehicle coming to pick them up. Lyft's user rating system allows a riders to provide instant feedback on safety, navigation, and overall ride experience. Any driver who maintains a rating of less than 4.6 out of 5 stars is removed from the Lyft platform. Drivers are also able to rate riders and flag abusive or dangerous situations. That is realtime feedback that you won't find with legacy services.

The proposed regulations will create a regulatory framework that will allow Lyft to continue to utilize leading background check experts and the latest technology to connect users to safe, affordable and friendly transportation options. These regulations will save the state money a substantial amount in administrative costs and ensure that Michigan residents have access to the safest and most consumer-friendly transportation experience.

Thank you for your commitment to ridesharing to the people of Michigan.

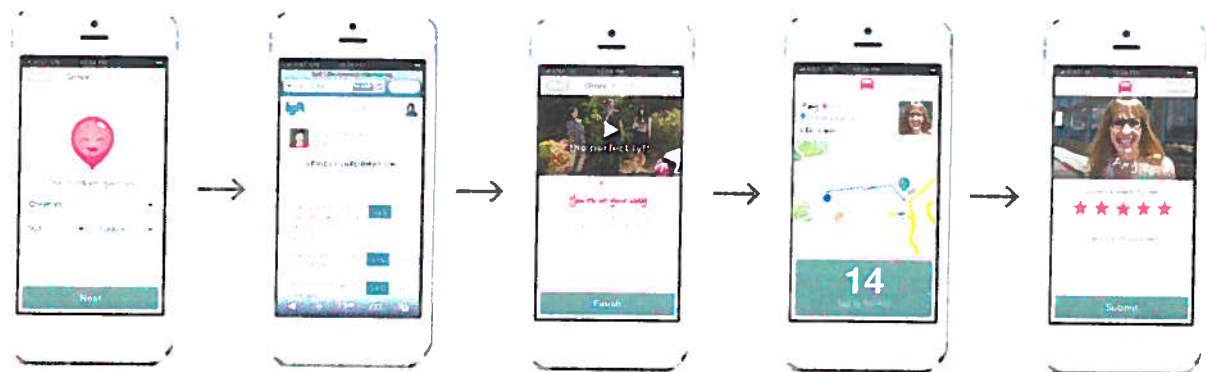
How It Works

Lyft is the latest evolution in mobile-based ridesharing — a friendly, safe, and affordable transportation option that matches people who need rides with people who have cars. Lyft launched in June 2012 and is now live in over 60 cities, including San Francisco, Los Angeles, Chicago, Boston, and Washington D.C. It is setting the gold-standard for safety while providing an innovative and affordable transportation option.

HOW IT WORKS FOR PASSENGERS



HOW IT WORKS FOR DRIVERS





Trust & Safety



BACKGROUND AND DRIVING RECORD CHECKS

- ✓ Criminal background check (run upfront)
 - No theft, violent crimes, or property damage
- ✓ Driving record check (run upfront and quarterly)
 - No more than 2 moving violations in the past 3 years
 - No major violations in past 3 years; reckless driving, driving on a suspended license
 - No alcohol or drug-related violations in the past 7 years
- ✓ Age 21 or older with U.S. driver license

ADDITIONAL SAFETY MEASURES

- ✓ In-app feedback
- ✓ Automatic off-boarding of drivers with low ratings
- ✓ \$1,000,000 Commercial Auto Liability*
- ✓ 2000 or newer car
- ✓ 4-door vehicle
- ✓ Hands-free smartphone mount

*Lyft's policy is designed to apply as primary to a driver's personal automobile insurance policy when matched with a passenger. This means from the moment a driver accepts a ride request to the moment the driver drops the passenger at their destination and ends the ride in the app, Lyft has an insurance policy for liability up to \$1 million per incident. If a driver already carries commercial insurance, Lyft's policy is excess to commercial insurance coverage. Lyft's insurance is available in all states, except New York State.



Background and DMV record checks

Every driver who applies to become a part of the community is screened for criminal offenses and driving incidents. The criminal background check includes a county criminal record check, an enhanced nationwide criminal search, and a Department of Justice 50-state sex offender search.

Background check

The Lyft approach checks counties nationwide catching any county in which the applicant has been arrested. In contrast, many state checks only check counties within the given state. The following crimes are prohibitive:

- No violent crimes
- No sexual offenses
- No theft
- No property damage
- No felonies

Driving record check

- Age 21 or older with US driver's license for one or more years
- Valid personal auto insurance that meets or exceeds state requirements
- No more than two moving violations in the past three years (accidents, traffic light violations)
- No major violations in the past three years (driving on suspended license, speeding 21+ MPH over the limit, etc.)
- No DUI or other drug-related driving violations or severe infractions in the past seven years (driving faster than 100 MPH) and no more than one severe infraction on your lifetime driving history
- No extreme infractions on your lifetime driving history (hit-and-run, felonies involving a vehicle)
- History of reckless driving not falling into one of the above categories, will also disqualify a potential driver



DRIVER STANDARDS

Drivers undergo a rigorous screening process prior to approval and high standards are enforced via real-time passenger ratings after each ride.

4.4%

driver applicants approved

82%

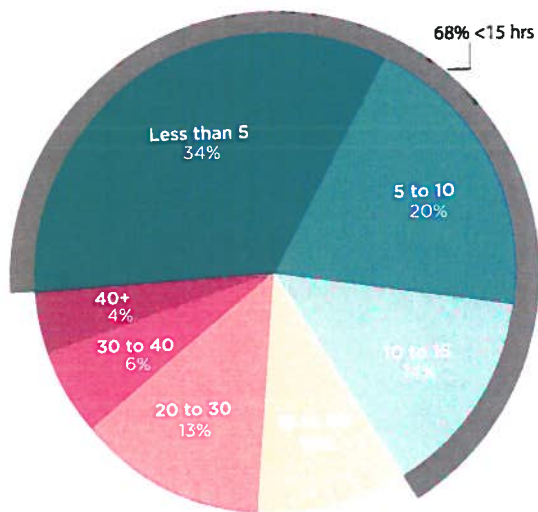
passengers submit ride feedback

4.6  out of 5

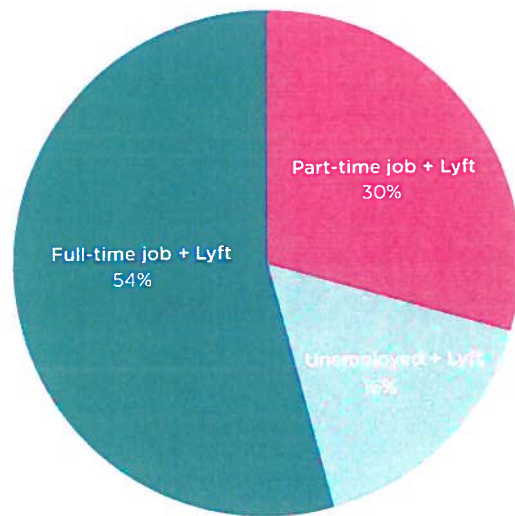
min. avg. rating drivers **must** sustain

DRIVER PROFILE

Avg. Road Hours per Week



Driving is Supplemental



Drivers keep 8 of every 10 dollars



Zero Tolerance Policy and Procedures

ISSUE IDENTIFICATION

Passengers are encouraged to call or email Lyft Support if they suspect a driver is under the influence of drugs or alcohol.

Lyft will immediately suspend the driver's access to the app platform pending an investigation.

Lyft also actively monitors passenger feedback for indicators of a zero tolerance policy violation.

Less than 0.004% of Lyft rides to date have resulted in zero tolerance investigations.



FEEDBACK MONITORING

Lyft automatically monitors all passenger feedback for any use of keywords that could indicate a violation of the zero tolerance policy. When feedback has been flagged, the Lyft Trust & Safety team will review the comments and if the comments indicate that a violation of the zero tolerance policy may have occurred, the driver will be suspended while the Trust & Safety team conducts an investigation.

The monitoring parameters are intentionally broad to ensure that Lyft always errs on the side of caution. For example, passenger feedback containing the phrase "drug store" would trigger a Trust & Safety review because the word "drug" was used.

As a result, the overwhelming majority of the monitoring alerts prove to be non-actionable.

INVESTIGATION AND CONCLUSION

In the course of a zero tolerance investigation, Lyft will contact the passenger for further details relating to a suspected zero tolerance policy violation.

Prior passengers of a driver under investigation will be contacted if necessary.

If an investigation results in definitive evidence or even a strong suspicion of a zero tolerance policy violation, the driver will be permanently deactivated.



Women Across America Feel Safer with Lyft

Lyft is proudly female-friendly – and not just because of the pink mustache! With our strict criminal background and driving record checks for drivers, GPS vehicle tracking, in-app feedback, 24-hour customer support, and two-way rating system, it's no surprise that women love the safety of riding with Lyft. It's also why over one-third of Lyft drivers and 49% of Lyft passengers are women! With Lyft, say goodbye to waiting on the curb late at night trying to get a ride.



"[I support Lyft] because it's easier, less expensive, faster and more awesome than taking a taxi. It's a **safe ride home** every night." Jennifer C., Los Angeles, CA

"**Lyft makes me feel safe as a single woman** living alone. The drivers are amazing and the price is great." Alyson H., Phoenix, AZ

"Every Lyft driver I've come into contact with has been super friendly. It's a **fun, safe, affordable** way to get from here to there. Long live Lyft!" Hillary T., Los Angeles CA

"I am a HUGE supporter of Lyft. No matter where you live in the city, or where you are going, Lyft is a safe and reliable way to get where you are going. Being a female, **I feel safer in a Lyft** than a cab. I am provided with the drivers name, picture, and info ahead of time where when a cab shows up I never know who it may be."
Andrea S, Chicago, IL

"Ride sharing is a fantastic way to get a safe ride somewhere, and at the same time, meet friendly people in your community. The system of suggested tip and stars gives both drivers and riders an incentive to be kind, helpful, and generous. The **ability to give feedback** upon the completion of the ride is important." Julie H., Phoenix, AZ



"I actually **feel safer as a single woman** traveling alone jumping in a Lyft than a random cab." Jenna B., Denver, CO

"Far safer than a cab. I feel safe that **my car and driver are always tracked.**" Morgan N. Seattle, WA

"I've used Lyft in San Diego and Dallas and it's been such a fantastic experience compared to using a standard cab. Lyft is extremely quick at getting to my pick up location, the drivers are always very friendly and I feel very safe. I've been recommending Lyft to all of my friends as the best and **safest way to get around town.**" Candace K., Dallas, TX

"**I feel 100x safer** with a Lyft driver as a woman than I would with some random and generally disgruntled cab driver. I get to know who I'm riding with and that the drivers have been through **extensive background checks.**" Caitlin B., Los Angeles, CA

"Lyft helps me find a safe ride home without having to wait outside or hail a cab. As a young female, I like know that the drivers showing up will be **safe, reliable rides.**" Jane F., Denver, CO

"As a single young female, I often feel uncomfortable getting back alone at night. Lyft gives me a **great and safe way** to do that." Maryam M., Denver, CO

"I love how it creates a **sense of community**, it's clean and affordable, safe...and I go out more not worrying about drinking and driving!" Christine D., Los Angeles, CA

"In my experience, taking taxis and cabs can be extremely uncomfortable, especially when you're alone, as a young woman. **Lyft always makes me feel comfortable and safe** and I feel like I'm having one of my friends give me a ride. I don't know what I'm going to do if Lyft ceases to exist in AZ." Taylor M., Phoenix, AZ

"Always a reliable, affordable and friendly ride. **Especially safe for women** and the no cash handling makes it so quick and efficient." Caroline P., Denver, CO

"It can be scary trying to get a cab home alone late at night and **Lyft alleviated that.**" Lark K., Los Angeles, CA



Lyft is a community-powered ridesharing platform that connects neighbors who need rides with neighbors who can provide rides through a mobile-based application. We connect communities to friendly, safe, and affordable transportation options.

TRANSPORTATION DEFICIT

Millions of Americans are unable to provide their own transportation or have difficulty accessing public transportation. Such transportation-disadvantaged individuals may include those who are elderly, have disabilities, or have low incomes.¹

- Fewer than 50% of Americans reported living within ¼ mile of a transit stop
- The average American household spends approximately 18% of its income on transportation, and lower-income families spend as much as 33%
- Transit services rarely accommodate the atypical work schedule of many low-income workers who often work outside the regular 9am-5pm commute pattern
- Studies have shown that people who lived within walking distances of transit stops or were able to ride to them had a better chance of finding employment
- Only 4% of the lowest-paid workers reported access to workplace flexibility, compared with 41% of the highest paid workers.²

COMMITMENT TO CHANGE

Lyft aims to provide opportunities for community members to take steps toward solving local transportation deficits. Inspired by the many drivers taking initiative in their own communities, Lyft commits to continued development in underserved areas guided by three core values:

EMPOWERMENT

Empowers communities by providing a transportation platform that supports neighbors serving neighbors

OPPORTUNITY

Create new economic opportunities by connecting communities to ridesharing and increasing transportation access

PARTNERSHIP

Partner with organizations representing underserved neighborhoods to advance their mission

63.7%

Lyft rides in Chicago begin and/or end in a transportation underserved area

+100%

Lyft rides in underserved areas of Washington D.C. have **doubled** since April 2014

1. U.S. Federal Transit Administration. *Transportation Needs of Disadvantaged Populations*. FTA Report No. 0030, February 2013
2. U.S. Department of Health & Human Services ASPE Report, "Work-Family Supports for Low-Income Families." March 2014

TRANSPORTATION FOR ALL



“During the hour-long presentation at Chicago Urban League headquarters,...[m]any of the approximately 50 people at the presentation sign[ed] up as drivers.

DNAinfo Chicago 4/1/2014

“Lyft held a recruitment event at the New Hope Missionary Baptist Church for Milwaukee residents... The Milwaukee Urban League, a local non-profit organization that aims to provide the community with necessary resources and programs, co-hosted the affair. Speakers for the evening included 1st District Milwaukee Alderman Ashanti and Milwaukee Urban League President Ralph Hollmon.”

Milwaukee Courier 9/12/2014



IN YOUR COMMUNITY

If you are a community leader who sees a need or wants to nominate an organization or cause, Lyft would love to hear from you. Together we can rapidly improve transportation access. Please visit us at lyft.com/community-solutions

lyft In the Press

TIME

"Lyft could fundamentally disrupt the market for ridesharing and carpooling.... saving consumers millions of dollars."¹

The Economist

"The company vets potential drivers carefully, requiring higher standards (for example, on criminal records) than some taxi companies. Lyft has also arranged insurance of up to \$1m for its drivers."²

The New York Times

"The platforms have voluntarily adopted additional nondigital safeguards. Ahead of any regulatory requirement, Lyft and Sidecar had put in place a fairly elaborate supplier-screening protocol, one that was perhaps a template for California's recently introduced regulatory framework for ride sharing."³



"There is a growing trend in transportation and it may be headed your way very soon... welcome to the new world of Lyft."

"Ride-sharing programs like Lyft are providing commuters with less expensive and more social ways to get around. Users log into the app, specify where they're heading, and a background-checked driver picks them up. While many of the drivers are women, the passengers are as well."⁴



"Instead of shutting down innovative entrepreneurs, city leaders would be wise to remove economic protectionism from their city code and promote economic liberty instead."⁵

The Seattle Times

"Demand is rising for alternative modes of transportation with cheaper prices and better service."⁶

LA WEEKLY

"There is more at stake than a fight over market share. Ride-sharing represents a real advance in transportation technology. For passengers, tapping a few buttons on an app is much easier, it's also cheaper. For [Mayor] Garcetti, who has vowed to bring government 'into the smartphone era,' it's almost a no-brainer."⁷

The New York Times

“‘This is so much cheaper than a cab, and so much easier,’ said Ms. DiFazio, 31. ‘I absolutely think my friends drink and drive less because of this.’”

“Last week, on his first full day in office as the new mayor of Los Angeles, Eric Garcetti proudly proclaimed that Los Angeles was beginning to leave behind its culture of car ownership. And Juan Matute, director of the Local Climate Change Initiative at the University of California, Los Angeles, said that if more people used ride-sharing services — even just 3 percent of the population, he said — substantial reductions in driving in Los Angeles could result.”⁸

Los Angeles Times

“They’re electronic clearinghouses that efficiently connect people seeking rides with a bigger universe of potential drivers.”⁹

The Boston Globe

“Ridesharing is one of the business models springing out of the smartphone revolution...”¹⁰

KCET

“But as LA’s car- and ride-sharing community blossoms, more and more people are giving up their beloved wheels. Reasons vary -- from environmental to financial, or even logistical (couples who decide to share one car when parking becomes too much like a competitive sport).”

“Lyft’s ‘Your friend with a car’ tagline is well-deserved.”¹¹

San Jose Mercury News

“‘There will be more companies — this is just the beginning,’ said Dan Sperling, founding director of the Institute of Transportation Studies at UC Davis. ‘The information tech revolution swept through many industries but barely touched transportation. This is just the leading edge of things we’re going to be seeing in the future.’”¹²

1. <http://business.times.com/2012/04/04/need-a-ride?riding-status=carpool&articleid=20120404001>

2. <http://www.economist.com/news/special-report/20130714/gauging-the-multiple-mechanisms behind the digital-revolution's job-creation-hunt>

3. Trusting the Sharing Economy to Regulate Itself, <http://bit.ly/1dZlWUz>

4. <http://www.kqed.org/idea/2013/04/04/idea-30410436>

5. <http://www.sanday.com/story/2013/07/13/la-space-shares-club-column/2521947>

6. <http://blogs.sanjoemercury.com/2013/06/05/la-space-shares-club-column-2521947-regulation/>

7. <http://www.abc7.com/2013/07/25/news/los-angeles-lyft-uber-ride-sharing/>

8. <http://www.latimes.com/2013/07/13/la-in-los-angeles-where-car-is-king-0713-emission-drive-max-out-traffic.html>

9. <http://articles.latimes.com/2013/jun/26/opinion/la-ec-taxi-look-07%20decide-06jun26 20130626>

10. <http://www.bostonglobe.com/business/2013/07/22/who-driving-now-ride-sharing-services/?p=SF2n3cm7aDnboK9jyR0jstory.html>

11. <http://www.kqed.org/idea/2013/07/13/idea-30410436>

12. <http://www.sanjoemercury.com/business/2013/06/05/la-space-shares-club-column-2521947-regulation/>

